



SENT TO COUNCIL:

Forwarded on:

JAN 10 2002

Memorandum
by Council Liaison's Office

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Rajeev Batra
Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: January 9, 2002

Approved

Date

1.10.02

COUNCIL DISTRICT: Citywide

INFORMATION

SUBJECT: USE OF CITY-OWNED SURPLUS PROPERTY FOR AFFORDABLE HOUSING (HOUSING PRODUCTION TEAM RECOMMENDATION #25)

BACKGROUND

On January 16, 2001, the City Council accepted the recommendations of the Mayor's Housing Production Team (HPT), and referred the recommendations to the City Administration for response. One of the HPT recommendations was: "Make surplus and/or underutilized [City-owned] public lands available [for housing development]" (HPT Recommendation #25).

This memorandum provides information regarding actions already taken to make surplus City property available for affordable housing development as well as steps now underway by the Department of Public Works' Real Estate Division and Department of Housing to implement this recommendation from the HPT.

ANALYSIS

Working with the Department of Public Works/Real Estate Division, the Department of Housing has acquired several City-owned sites in recent years. Based on the experience obtained in those transactions and in an effort to ensure the smooth transfer of City-owned sites for affordable housing purposes in the future, an improved process has been developed (see below under "Process for Identifying Properties for Affordable Housing Development").

Completed Property Transfers

The Housing Department has taken over the administration of three City-owned properties:

January 9, 2002

Subject: Use of City-Owned Property for Affordable Housing

Page 2

- Roberts Avenue – This former site of the County Childrens Shelter on Vintage Way, between Roberts Avenue and Lucretia Avenue, will be developed with a 100-unit rental housing project targeting public school teachers and a 100-unit rental project for seniors. Construction is expected to begin within the next few months on both the seniors project by BRIDGE Housing and the project targeted to teachers by Community Home Builders and Associates.
- Las Plumas – This former City warehouse property has been proposed for the development of 50 units of transitional housing to complement the nearby San Jose Family Shelter. The development proposal has encountered opposition from surrounding industrial users, and the City Administration is reviewing alternative means of accomplishing the housing development.
- Empire Corporation Yard – This property at the corner of 7th and Empire Streets is being developed with an integrated, mixed-use development consisting of a new Northside Community Center and the 96-unit Northside Senior Housing project. Construction is now underway.

Near-Term Potential Transfers

The Housing Department has identified two additional City-owned properties that have housing development potential. The Department is in the due diligence process of determining that the proposed uses for these properties are appropriate. The three properties are:

- Evans Lane. – The City owns a one-acre, vacant property behind the Women's Residential Facility at the intersection of Evans Lane, Canoas Garden Avenue and Almaden Expressway. Housing staff believes that the site is a promising one for a second WATCH/Homesafe project in San Jose (the first, just off Alum Rock Avenue, is in the predevelopment phase).
- Westside Yard. The Department of Transportation (DOT) currently occupies a seven-acre service yard near the intersection of Doyle Road and Lawrence Expressway. It is used primarily as an overnight parking facility for City vehicles. The location of this service yard is not ideal from the perspective of efficiently delivering services, and DOT is considering alternative sites for locating this function. Should the property become surplus to DOT's needs, the Housing Department has expressed interest in acquiring it as a development site.
- 12th & Keyes. The City owns a 1.6-acre property that is used as overflow parking for Kelley Park. The site was designated by the City Council/Redevelopment Agency Board as one of the selected sites in the Downtown Housing Sites RFQ process. The Housing Department and the Redevelopment Agency are discussing the potential for building affordable housing on the subject property and building a market-rate housing development across Keyes Street.

January 9, 2002

Subject: Use of City-Owned Property for Affordable Housing

Page 3

Completion of Property Inventory and On-Line Real Estate Information

The Real Estate Division has recently completed an updated inventory of all City-owned properties. In coordination with other City departments, the updated inventory indicates those properties that are currently and/or potentially excess to City operational and facility needs. The Real Estate Division is currently in the process of posting on the City's Intranet website those properties available for sale to the public.

Process for Identifying Properties for Affordable Housing Development

The Housing Department is currently reviewing the list of City-owned properties that are not being reserved for use or development by another City department. The Department's review, in conjunction with the Planning staff and the Housing Action Team, will identify those properties that could be used to implement the City's affordable housing goals. The size and nature of those properties will indicate the specific housing program for which it is appropriate. For example:

- Properties of an acre or larger would be considered for new construction, for either rental or for-sale housing, as appropriate.
- Vacant single-family lots will be considered for such uses as the Habitat for Humanity self-help, sweat-equity home-construction program.
- Vacant single-family homes will be considered for the Teacher Homebuyer Program.

When the Housing Department notifies the Real Estate Division of its interest in a property listed on the master inventory, the Real Estate Division will order an appraisal of fair market value based on appraisal instructions jointly agreed upon by the two agencies. Once the appraisal has been reviewed and accepted by both agencies, a report will be prepared to the City Council recommending that 20% Low- and Moderate-Income Housing Fund reimburse the General Fund (or other funds, as applicable) and that the Housing Department be authorized to proceed with finding an affordable housing developer for development of housing type(s) and density appropriate to the property in question.

CONCLUSION

The Housing Department and the Department of Public Works' Real Estate Division have jointly developed a process to make surplus and/or underutilized City-owned property available, in a timely fashion, for affordable housing uses.



RAJEEV BATRA
Acting Director of Public Works



LESLYE CORSIGLIA
Acting Director of Housing